

13 Excise

CHAPTER 13

OVERVIEW

For the 2010–11 financial year:

- total excise liabilities were \$25.9 billion, a 5.6% increase from 2009–10
- excise from petroleum products and non-petroleum based fuels was \$16.4 billion, an increase of 4.4% from 2009–10
- excise from tobacco products was \$6.4 billion, an 11.8% increase from 2009–10
- excise from alcohol products was \$3.1 billion, a 0.4% increase from 2009–10.

INTRODUCTION

Excise duty is levied on certain goods manufactured or produced in Australia. These goods include:

- petroleum products and non-petroleum based fuels
- tobacco products
- alcohol products (excluding wine which is subject to the wine equalisation tax).

Excise duty is levied on onshore stabilised crude petroleum oil and condensate production, and offshore stabilised crude petroleum oil and condensate production from fields within the North West Shelf Project area. Crude oil and condensate from offshore areas located outside the North West Shelf Project area are subject to petroleum resource rent tax.

Excise duty on stabilised crude petroleum oil and condensate is linked to the sale price of the product. The excise liability is calculated based on the volume weighted average realised (VOLWARE) price, the marginal excise rates applied to progressive production and the quantity produced.

Excise duties applied to tobacco and alcohol are subject to indexation in February and August each year, in line with upward movements in the consumer price index. Indexation is not applied to petroleum products, non-petroleum based fuels or oils and greases.

For the purpose of this publication, excise revenue is recorded when the products are delivered for home consumption. The time difference between liabilities raised and the receipt of payment for most excisable products is up to one week. For stabilised crude oil and condensate, payment is made on or before the last working day of the month following the month in which it was sold.

NEW FEATURES AND INFORMATION

Comparability of figures between 2010–11 and earlier years has been affected mainly by the 25% increase in the rates of excise duty for tobacco products on and from 30 April 2010. The figures for excise liabilities and quantities of goods subject to excise exclude the impact of claims relating to excisable goods that have deteriorated or been damaged, pillaged, lost, destroyed or become unfit for human consumption.

EXCISE LIABILITIES

Excise liabilities for the 2010–11 financial year totalled \$25.9 billion, an increase of \$1,382 million or 5.6% from 2009–10.

Table 13.1 Excise liabilities, by commodity, 2009–10 and 2010–11 financial years

Commodity	2009–10 ¹		2010–11 ¹	
	\$m	%	\$m	%
Petroleum and non-petroleum based fuels ²	15,667	63.9	16,358	63.2
Tobacco	5,742	23.4	6,420	24.8
Beer	1,991	8.1	1,962	7.6
Spirits	1,114	4.5	1,156	4.5
Total³	24,514	100.0	25,896	100.0

1 Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 This data includes crude oil and condensate.

3 Totals may differ from the sum of the components due to rounding.

PETROLEUM PRODUCTS AND NON-PETROLEUM BASED FUELS

Excise is levied on a variety of petroleum products, including gasoline (petrol), diesel, aviation fuels, kerosene, heating and fuel oil, and crude oil and condensate. Excise is also levied on non-petroleum based fuels, including ethanol and biodiesel fuels.

Manufacturers of petroleum products and non-petroleum based fuels (or licensed intermediaries) pay excise duty on locally manufactured products. Excise liabilities from petroleum products and non-petroleum based fuels were \$16.4 billion in 2010–11. This was an increase of \$691 million or 4.4% over 2009–10.

In terms of both the quantity and amount of duty over the previous year, petrol decreased by 5.5% while diesel increased by 8.8%.

Table 13.2 Quantities of petroleum products and non-petroleum based fuels subject to excise, 2009–10 and 2010–11 financial years

Product	Megalitres ²	2009–10 ¹ Duty (\$m)	Megalitres ²	2010–11 ¹ Duty (\$m)
Petrol	16,477	6,285	15,571	5,939
Diesel	17,991	6,862	19,570	7,465
Other petroleum products				
Fuel oil	237	91	269	102
Heating oil	28	11	22	9
Aviation gasoline	80	2	81	3
Aviation kerosene	2,693	77	2,869	102
Kerosene	33	12	32	12
Oils and greases	383	21	402	22
Other petroleum products ³	11,428	2,196	11,844	2,575
Non-petroleum based fuels ⁴	289	110	338	129
Total⁵	49,638	15,667	50,998	16,358

1 Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 One megalitre equals one million litres.

3 Includes crude oil and condensate.

4 Non-petroleum based fuels include fuel ethanol and biodiesel fuels.

5 Totals may differ from the sum of the components due to rounding.

TOBACCO

Tobacco manufacturers (or licensed intermediaries) in Australia pay excise duty on locally manufactured cigarettes and tobacco products. The duty rate for tobacco is levied as follows:

- per stick not exceeding 0.8 grams actual tobacco content
- per kilogram for all other products.

In 2010–11, excise liabilities on cigarettes and other tobacco products increased by 11.8% to \$6.4 billion from 2009–10. This increase in excise liabilities was largely due to the 25% increase in the rates of excise duty for tobacco products on and from 30 April 2010. This has been partially offset by a 10.8% fall in the quantities of cigarettes subject to excise duty to 18.4 billion sticks.

Table 13.3 Quantities of tobacco products subject to excise, 2009–10 and 2010–11 financial years

Tobacco	Unit	Quantity	2009–10 ¹ Duty (\$m)	Quantity	2010–11 ¹ Duty (\$m)
Cigarettes	Million sticks	20,622	5,523	18,398	6,135
Tobacco	Kilograms	647,686	219	684,544	285
Total			5,742		6,420

¹ Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

ALCOHOL

Manufacturers of alcohol products (or licensed intermediaries) not subject to wine equalisation tax (WET) have a responsibility to pay excise duty on certain goods. More information on WET can be found in chapter 12.

Excise duty applies to:

- beer (except home brew, which is not subject to excise)
- spirits such as brandy, pre-mixed drinks, rum, vodka and liqueurs (unless the spirit is purchased for an approved purpose under the concessional spirits scheme)
- liqueurs
- other alcoholic beverages not subject to WET.

Excise duty rates applying to beer vary according to the alcohol content and container size. The duty free threshold for beer is 1.15% alcohol content.

In 2010–11, excise liabilities from alcohol products totalled \$3.1 billion, an increase of 0.4% from the previous year. A similar increase was also observed in 2009–10.

Spirits manufactured in Australia are generally subject to excise duty, but under some circumstances the duty rate is free. This includes spirits for an approved person to use for an industrial, manufacturing, scientific, medical, veterinary or educational purpose.

Excise duty collected for mid-strength beer increased, while the excise duty for all other beer categories decreased.

Table 13.4 Quantities of alcohol products subject to excise, 2009–10 and 2010–11 financial years

Alcohol	Megalitres ²	2009–10 ¹ Duty (\$m)	Megalitres ²	2010–11 ¹ Duty (\$m)
Beer				
Bottled beer – low-strength	1.7	61	1.5	54
Bottled beer – mid-strength	5.6	230	5.6	238
Bottled beer – full-strength	33.6	1,385	32.0	1,357
Keg beer – low-strength	0.5	3	0.4	3
Keg beer – mid-strength	1.2	26	1.2	28
Keg beer – full-strength	9.8	285	9.4	282
Non-commercial purposes ³	0.1	..	0.1	..
Spirits				
Other spirits ⁴	3.0	212	3.1	226
Brandy	0.4	29	0.4	28
Ready-to-drink beverages	12.5	873	12.5	902
Total⁵	68.4	3,105	66.3	3,118

¹ Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

² One megalitre equals one million litres of alcohol.

³ '..' means rounded to zero but not zero.

⁴ The 2009–10 measure of quantity does not include 62.2 megalitres of other spirit products that are free from excise duty. The 2010–11 quantity figure does not include 61.3 megalitres for the same reason.

⁵ Totals may differ from the sum of components due to rounding.

SOURCE OF EXCISE STATISTICS

The statistics reported in this chapter are sourced from excise returns for products cleared for home consumption during 2009–10 and 2010–11.

We recommend you exercise caution when comparing the statistics for the current year and previous years.

EXCISE CHAPTER TABLES

The excise chapter tables are now on the attached CD-ROM and included in the online version of this publication on our website. You can now view or download all the chapter tables in Excel.

LIST OF EXCISE DETAILED TABLES

The following detailed tables on excise are on the attached CD-ROM and included in the online version of this publication on our website at www.ato.gov.au. You can view or download all the detailed tables as PDF or Excel files.

Table 1 Excise liabilities, 1996–97 to 2010–11 financial years

This table shows excise from beer, spirits, tobacco and petroleum for the 1996–97 to 2010–11 financial years.

Table 2 Alcohol products subject to excise, 2003–04 to 2010–11 financial years

This table shows excise from alcohol (beer and spirits) by excise tariff classification for the 2003–04 to 2010–11 financial years.

Table 3 Beer products subject to excise by tariff classification on a monthly basis, 2009–10 to 2010–11 financial years

This table shows monthly excise quantity and liability amounts from beer by excise tariff classification for the 2009–10 and 2010–11 financial years.